

AN ORDINANCE 2006-05-18-0604

AN ORDINANCE APPROVING A THREE-YEAR EXTENSION OF THE CITY'S LEASE OF APPROXIMATELY 14,928 SQUARE FEET OF OFFICE SPACE FOR ENTERPRISE RESOURCE MANAGEMENT AT RIVERVIEW OFFICE BUILDING LOCATED AT 111 SOLEDAD IN DISTRICT 1, FOR AN INITIAL RENT OF \$15.00 PER SQUARE FOOT (\$18,660 MONTHLY) THROUGH DECEMBER 31, 2007 AND \$16.00 PER SQUARE FOOT (\$19,904 MONTHLY) THROUGH MAY 31, 2009, WITH A THREE-YEAR RENEWAL OPTION.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is hereby authorized and directed to execute and deliver on behalf of the City an extension of lease agreement in substantially for the form attached as **Attachment I**, which is incorporated herein by reference for all purposes as if it were fully set forth. The City Manager and her designee should take all other actions reasonably necessary or convenient to effectuate the transaction described in Attachment I, including agreeing to non-material changes to its terms.

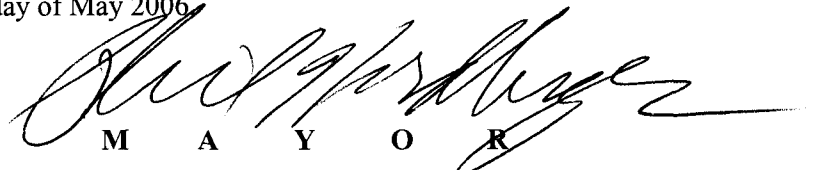
SECTION 2. Funds for this expenditure are available in Fund 74001000, Internal Service Information Services Fund, Cost Center 0901010001, Administration, General Ledger 5206010, Rental of Facilities.

SECTION 3. Payment not to exceed \$18,660.00 per month from June 1, 2006 through December 31, 2007 and \$19,904.00 per month from January 1, 2008 through May 31, 2009 pending future appropriations is authorized to Riverview Tower Partners, Ltd.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance for the City of San Antonio for the City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 5. This ordinance becomes effective May 28, 2006.

PASSED AND APPROVED this 18th day of May 2006

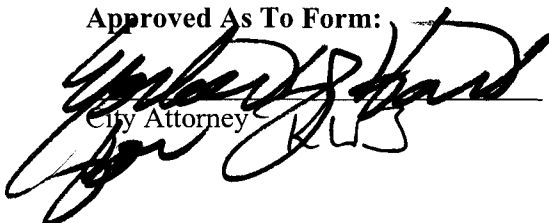

M A Y O R

PHIL HARDBERGER

Attest:


City Clerk

Approved As To Form:


City Attorney

Agenda Voting Results

Name: 16.

Date: 05/18/06

Time: 10:32:52 AM

Vote Type: Multiple selection

Description: An Ordinance approving a three-year extension of the City's lease of approximately 14,928 square feet of office space for Enterprise Resource Management at Riverview Office Building located at 111 Soledad in District 1, for an initial rent of \$15.00 per square foot (\$18,660 monthly) through December 31, 2007 and \$16.00 per square foot (\$19,904 monthly) through May 31, 2009, with a three-year renewal option. [Presented by Shawn Eddy, Interim Director, Asset Management; Erik J. Walsh, Assistant City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1	Not present			
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR PHIL HARDBERGER	MAYOR		x		

Attachment I

Amendment to Lease Agreement (Riverview Towers/ERM)

1. Identifying Information.

Ordinance Authorizing Present Amendment:

Original Landlord: Mack-Cali Texas Property, L.P.

Successor Landlord: Riverview Tower Partners, Ltd.

Landlord's Address: 111 Soledad, San Antonio, Texas 78205

Tenant: City of San Antonio

Tenant's Address: P.O. Box 839966, San Antonio, Texas 78283-3966

Lease: Lease Agreement (ERM Project, Riverview Office Building) dated May 14, 2002 between Mack-Cali Texas Property, L.P. as Landlord and the City of San Antonio as Tenant relating to 14,928 square feet, more or less, at 111 Soledad, San Antonio, Texas 78205

**Ordinance Authorizing
Original Lease:** 95657, April 25, 2002

1st Renewal: Renewal and Extension of Lease Agreement (ERM Project Riverview Office Building) between Riverview Tower Partners, Ltd. as Landlord and City of San Antonio as Tenant relating to 14,928 square feet, more or less, at 111 Soledad, San Antonio, Texas 78205.

**Ordinance Authorizing
1st Renewal:** 99119, April 29, 2004

2nd Renewal: Renewal and Extension of Lease Agreement (ERM Project Riverview Office Building) between Riverview Tower Partners, Ltd. as Landlord and City of San Antonio as Tenant relating to 14,928 square feet, more or less, at 111 Soledad, San Antonio, Texas 78205.

**Ordinance Authorizing
2nd Renewal:** 100942, May 26, 2005

2. Defined Terms.

All terms defined in the Lease and not otherwise defined in this amendment, when used in this amendment, have the meanings ascribed to them in the Lease. References to "Lease" in this amendment include both the original Lease and all previous renewals and amendments to it.

3. Extension of Term.

All previous renewals notwithstanding, the presently effective term of the lease is extended through and including May 31, 2009. Tenant may further extend the Lease by giving Landlord 30 days' prior written notice, the extended term to run from June 1, 2009 through May 31, 2012.

4. Rent.

Rent through May 31, 2006 is as provided in previous agreements of the parties. Rent from June 1, 2006 through December 31, 2007 is \$15.00 a square foot per annum (\$18,660.00 monthly). Rent from January 1, 2008 through May 31, 2009 is \$16.00 a square foot per annum (\$19,904.00 monthly). Rent for the renewal term provided by this amendment is \$16 a square foot per annum (\$19,904.00 monthly). All rent calculations are based on 14,928 square feet. Tenant will pay rent at the time, place, and intervals and in the manner prescribed in the Lease.

5. Early Termination.

Tenant may terminate this lease without cause during any term by giving Landlord 180-days' prior written notice.

6. Landlord's Work.

Not later than July 2, 2006, Landlord, at its sole cost and expense, must have completed each of the following items: (a) replacement of all existing carpet with building standard carpet, (b) repainting of the entire Premises, (c) installation of a model DTX1200 card reader at the 9th floor elevator lobby into the Premises, (d) installation of a remote opener of the front door to the Premises at a location specified by Tenant, (e) removal of a 12-foot wall designated by Tenant (as shown on the attached **Exhibit A**) and all associated restoration, and (f) installation of signs on the 9th floor of the same style as the signs on the 10th floor. The plans for all such work must be approved in advance in writing by Tenant, and the work must be done at times and in a manner acceptable to Tenant as not to interfere with Tenant's ongoing operations.

7. No Default.

Neither Landlord nor Tenant is in default under the Lease and neither party is aware of a cause of action against the other arising out of or relating to the period before the date of Landlord's signature on this amendment.

8. Same Terms and Conditions.

This amendment is a fully integrated expression of the changes the parties intend to make to the Lease, as previously amended. The parties acknowledge that, except as expressly set forth in this amendment, the Lease as previously amended remains in full force and effect according to its terms, and the parties reaffirm the obligations thereof. Both Landlord and Tenant are bound thereby. Neither party is in default under the Lease as amended. There have been no amendments or other modifications to the Lease except as expressly described in this amendment.

9. Date of Amendment

For purposes of reference, the date of this amendment is deemed to be the date of the later of the signatures set forth below.

In Witness Whereof, the parties have caused their representatives to set their hands.

Landlord:

Riverview Tower Partners, Ltd., a Texas limited partnership, by and through its sole general partner

Riverview Tower, GP, LLC, a Texas limited liability company

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Tenant:

City of San Antonio, a Texas municipal corporation

Signature: _____

Printed Name: _____

Title: _____

Date: _____

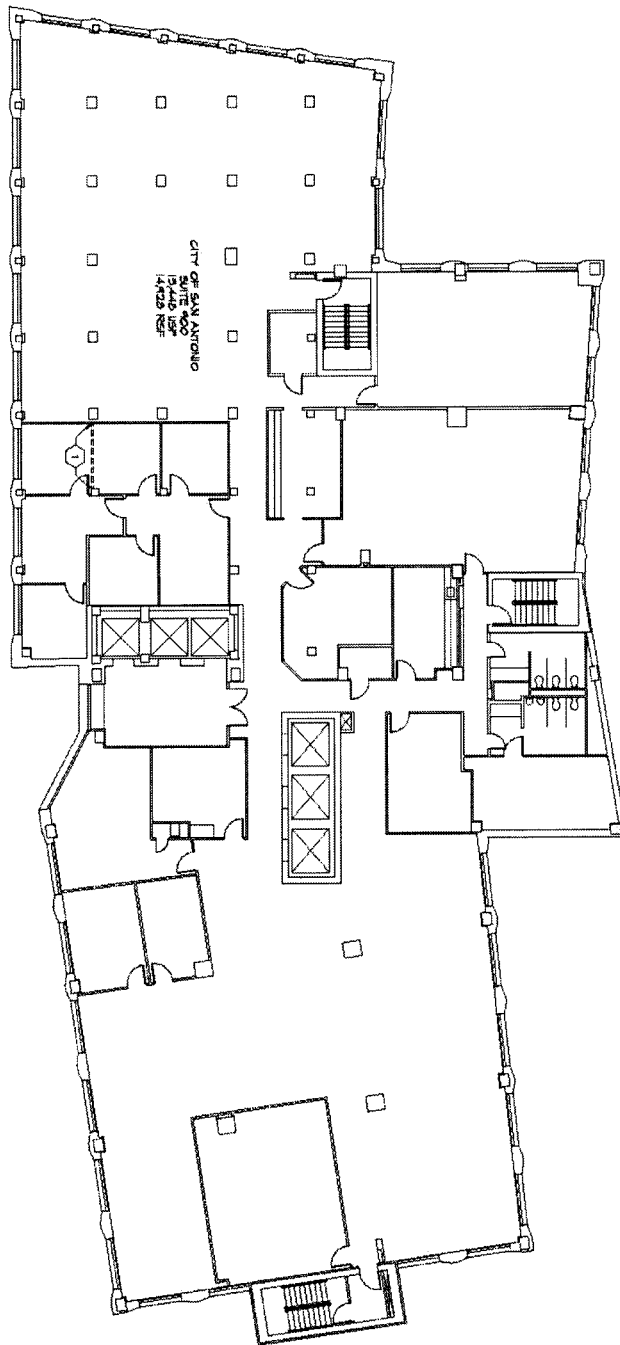
Attest:

City Clerk

Approved as to Form:

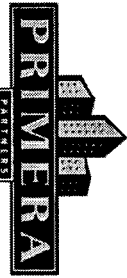
City Attorney

Exhibit A



KEYED NOTES

- 1 DEMO EXISTING WALL. PATCH EXISTING FLOOR WALL & BASE FINISHES



LEVEL 9

RIVERVIEW TOWERS



NOT TO SCALE

INSITE ARCHITECTS, INC.
APRIL 12, 2006

**CITY OF SAN ANTONIO
DEPARTMENT OF ASSET MANAGEMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Shawn P. Eddy, Interim Director, Department of Asset Management

SUBJECT: Amendment to Lease Agreement with Riverview Tower Partners, Ltd. for the continued rental of office space by the Enterprise Resource Management Project at 111 Soledad Street

DATE: May 18, 2006

SUMMARY AND RECOMMENDATIONS

An Ordinance approving an Amendment to Lease Agreement between Riverview Tower Partners, Ltd., a Texas Limited Partnership, as Landlord, and the City of San Antonio for the Enterprise Resource Management (ERM) Project, as Tenant, for the continued rental of approximately 14,928 square feet of office space for a term of 3 years commencing June 1, 2006, at the annual rent rate of \$15.00 S.F., or \$18,660 per month from June 1, 2006 through December 31, 2007 and \$16.00 S.F., or \$19,904 per month from January 1, 2008 through May 31, 2009 with the option to renew for one 3-year term at the same annual rental rate of \$16.00 S.F., in a building located at 111 Soledad Street, known as the Riverview Office Building, located in City Council District 1.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

Ordinance No. 95657 dated April 25, 2002 authorized a lease for office space on the 9th floor of Riverview Tower located at 111 Soledad for the ERM Project with an initial lease term of twenty-five (25) months with 3 renewal and permissible holdover options. As such, City Council has previously authorized 2 renewals of the lease term; (1) at the expiration of the original lease term and 6 month Permissible Holdover period, and (2) at the expiration of the 1st renewal term and 6 month Permissible Holdover period.

Due to approximately \$90,000 of City-requested improvements to the leased premises to be completed at the sole cost and expenses of the Landlord, the term of the 3rd renewal period was renegotiated and extended to a 3-year term, allowing the City to lock-in below market rental rates for the lease term and optional renewal period. This Amendment to Lease Agreement will serve to further extend the term of the lease for a period of 3 years commencing June 1, 2006 and provide for one additional 3-year renewal option.

POLICY ANALYSIS

Approval of this ordinance is a continuation of City Council policy to support the office space needs of the ERM Project.

FISCAL IMPACT

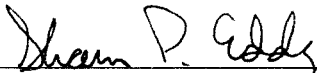
Under the terms of the Lease Agreement, the City will pay an annual rent rate of \$15.00 S.F. (3.4% increase over the previous 2-year lease rate), or \$18,660 per month from June 1, 2006 through December 31, 2007 (\$223,920 annually) and \$16.00 S.F., or \$19,904 per month from January 1, 2008 through May 31, 2009 (\$238,848 annually) with the option to renew for one 3-year term at the same annual rental rate of \$16.00 S.F. Additionally, the City is responsible for its pro-rata share of operating expenses (maintenance, insurance charges, janitorial charges, utilities, and taxes) in excess of the base year operating expenses. The ERM Project has sufficient funds in the FY 2007 budget for the lease expenses.

COORDINATION

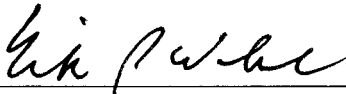
This item has been coordinated with the ERM Project and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

The required Discretionary Contracts Disclosure form is attached.

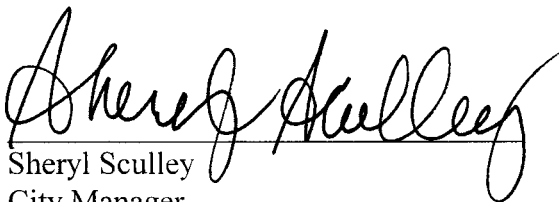


Shawn P. Eddy, Interim Director
Department of Asset Management



Erik J. Walsh
Assistant City Manager

Approved for Council Consideration:



Sheryl Sculley
City Manager